

**CONFIDENTIAL**

Office of Logistics

ATTN : Supply Division

Deputy Comptroller

Direct Procurement by [ ]

1. In the past property procured locally, by [ ] stations, has been picked up by the Supply Division, Office of Logistics, citing transaction code 9-1 or 9-3, as appropriate, which results in a 600.2 (Current Costs - Property Issues) charge to the station's cost symbol. At the same time the payment for the property is reflected as an allotment expenditure on the Fiscal Division's records. To eliminate this duplication of charges, you are requested to take action as outlined below relative to the processing of receiving reports forwarded to headquarters for property procured locally by [ ] installations.

a. In the case of expendable items, no action is to be taken by the Supply Division, Office of Logistics, other than to stamp Fiscal Division's copy "Expendable". The Fiscal Division will treat the payment therefor as direct charges to current costs (Account No. 600.1) with no action by the Finance Division.

b. In the case of non-expendable items, the Supply Division will process the receiving reports citing transaction code 9.2 (debiting Accounts Nos. 170 - Property on Hand and 171 - Property in Use, and crediting Accounts Nos. 303 - Accounts Payable and 170 - Property on Hand).

2. Under the above procedure non-expendable property acquired by [ ] stations will be processed through headquarters property financial accounting procedures in order to include such property in the overall Agency inventory of property in use; however, the expendable property so acquired will be charged directly to the individual station's cost symbols. None of the property acquired by local purchase by the [ ] stations will be included under the Property Authorization Control Procedure, consistent with the provisions of [ ] inasmuch as the use of Agency resources is controlled through the charging of payments for such property directly to the allotment of the [ ] station.

TAS/BBH/jah (17 Aug. '56)  
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Approved For Release 2002/07/12 : CIA-RDP79-00065A000200040023-0  
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